

Dear President-elect von der Leyen,

In your first ever speech to the European Parliament in July, you said you wanted Europe to become the first climate-neutral continent in the world by 2050 and that bold steps would be required to make this happen.

We fully support this ambition. The first chance to prove if ambitions are followed by effective policy decisions to address the climate emergency is already this week, even before you will officially be in function. On 14<sup>th</sup> November, Member States and the European Commission are expected to adopt a new policy within the European Investment Bank to decide which European energy projects can be financed in the future in order to meet the EU's climate obligations and implement the Paris Agreement.

In July, the EIB presented an ambitious draft energy lending policy that would credibly phase out most financing of fossil fuels including gas by the end of 2020. However, since the presentation of the draft policy, several member states including Germany have included loopholes, which would allow the financing of gas projects to continue. Rather than a clear rule to stop financing gas projects with emissions higher than 250 gram CO<sub>2</sub> per kilowatt-hour, the latest draft allows gas-fired power plants to deviate from this standard if they promise to blend in 'low carbon gas' in the future. This would free the way to finance inefficient gas infrastructure now only based on vague and non-binding promises for the future. In addition, the latest draft would further delay the deadline for gas projects in order to give project developers additional time to apply for years of EIB financing and make use of the fresh pot of EU energy infrastructure funding under the next EU's next multiannual budget. These loopholes enable many costly gas projects to materialise in the upcoming years.

The European Investment Bank financed fossil fuel projects to the amount of €11 billion between 2013 and 2017. The EIB spent almost €8 billion on gas infrastructure and €1.7 billion on gas production. The EU risks creating a massive gas lock-in. The EU already has two times the gas import capacity it actually needs. New gas projects would need decades to earn their investments back. This is not only a climate issue. We are risking large amounts of stranded assets in the near future. Let's be clear: gas, and natural gas, is a fossil fuel and like any fossil fuel it should stay in the ground if we want to become climate-neutral by 2050. Instead, your Commission should promote truly sustainable energy investments like energy savings and renewables.

It is appalling that the European Commission has been one of the key actors behind the weakening of the EIB's first ambitious draft energy lending policy.

It was the Commission pushing for the exemptions for gas investments. While the draft EIB policy aimed at a rapid phase out for gas financing, the European Commission published a list of 55 gas projects labelled as “projects of common interest”. What happened to the EU's G20 commitment to end fossil subsidies? We are talking about the use of taxpayers' money here. Why does the Commission ask member states to phase out fossil fuel subsidies while at the same time it pushes the EIB to continue these?

In your first ever speech to the European Parliament, you committed to turn parts of the European Investment Bank into the EU climate bank. We are happy to support you on this but this ambition risks failure even before the new Commission takes up its duties, if the bank keeps the door open for financing fossil fuels after 2020. Please make sure the current and incoming European Commission acts in line with its climate ambitions and pushes for an energy lending policy without exemptions next week. This could be the first proof that the EU's big words like climate neutrality and the European Green Deal are actually delivered upon.

Signed by Bas Eickhout and David Cormand, MEPs for the European Greens